



November 13, 2018

California Customer Choice  
California Public Utilities Commission  
Policy and Planning Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
customerchoice@cpuc.ca.gov

Subject: City and County of San Francisco Comments on Draft Gap Analysis

The City and County of San Francisco (San Francisco) appreciates the opportunity to comment on the California Public Utilities Commission's (CPUC) California Customer Choice Project: Draft Gap Analysis/Choice Action Plan (Gap Analysis).

The Gap Analysis is premised on concerns that the disaggregation of the electric market through an increasing number of market participants, including customer-side resources, has led to an increase in consumer protection, duty to serve, and reliability concerns. San Francisco does not agree that all of these concerns stem from increased customer choice and also does not agree with all of the statements, conclusions, and recommendations in the Gap Analysis. Further, we caution against prejudging or influencing outcomes in ongoing regulatory proceedings and predetermining conclusions and recommendations prior to undertaking additional analysis identified in the Gap Analysis.

While San Francisco's Community Choice Aggregation (CCA) program, CleanPowerSF, was only recently established, San Francisco has been providing reliable water and power services for over 100 years. Before and since the establishment of CleanPowerSF, San Francisco has protected its customers, provided cost-effective resource procurement, and maintained efficient and reliable service. With respect to reliability, San Francisco notes that requests for waivers from local Resource Adequacy (RA) requirements may be indicative of broad electricity market trends and misaligned incentives for holders of RA resources to provide maximum capacity to the system.

San Francisco shares the State's goals to provide affordable and reliable service to customers while decarbonizing the electric grid. The Legislature recognized the value of customer choice in adopting programs such as community choice aggregation. San Francisco firmly believes that customer choice, including CCA programs like San Francisco's CleanPowerSF, can play a key role in meeting the State's goals. As a regulator of essential utility services, the CPUC also plays a role in ensuring that all market participants receive the same level of protection and that rules and incentives properly align to promote environmental and reliability policy objectives.

**London N. Breed**  
Mayor

**Vince Courtney**  
President

**Ann Moller Caen**  
Vice President

**Francesca Viator**  
Commissioner

**Anson Moran**  
Commissioner

**Ike Kwon**  
Commissioner

**Harlan L. Kelly, Jr.**  
General Manager



San Francisco has been and will continue to be open to collaborating with the CPUC and other stakeholders on issues involving serving customers, consumer protection, and reliability and resource procurement. San Francisco and other CCAs are active participants in numerous CPUC proceedings that will address issues raised in the Gap Analysis, including proceedings on integrated resource planning, affordability, and disconnections. San Francisco, through the California Community Choice Association (CalCCA), is also actively involved in improving the RA program through collaboration with stakeholders across the industry and participation in the CPUC's RA rulemaking and multiple stakeholder initiatives at the CAISO.

We reiterate our commitment and request to collaborate and look forward to continuing to work with the CPUC and other stakeholders to develop policies that realize the State's vision. Should you have any questions or concerns, please feel free to contact Ross Nakasone (RNakasone@sfwater.org, 415-554-2436).

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'B. Hale', with a long horizontal flourish extending to the right.

Barbara Hale  
Assistant General Manager, Power